

- For allocations under the 10MW to 30MW category, the rates then were **85 sen per kWh**. Seda's FiT rates have been designed to be **reduced** to reflect the **declining trend** of solar (and other renewable energy types) equipment and technology. But there are **no relevant instances** implying of the declining trend of solar.
- Under its latest revision in Jan this year, the FiT rates for solar were reduced to 60.8 sen (for the 1MW to 10MW category) and to 54.4 sen (for the 10MW to 30MW category).

Solar rates	
Capacity	FiT rates (RM per kWh)
Up to 4kW	<b>1.041</b>
4kW to 24kw	<b>1.015</b>
24kw to 72kw	<b>0.755</b>
72kw to 1MW	<b>0.729</b>
1MW to 10MW	<b>0.608</b>
10MW to 30MW	<b>0.544</b>

Source: Seda

- However, it is understood that the proposed project will **not use FiT rates**, which are as high as RM1 per kilowatt-hour (kWh). Instead, industry sources said the proposed solar plant will **compete for grid priority to generate power**. This means that its rates will have to be more **competitive** in order for Tenaga Nasional Bhd to justify paying for the electricity from the solar plant when it may have cheaper alternatives.
- Industry sources estimated that the tariff for the proposed solar project is around 60 sen per kWh. In comparison, the tariff for the recent combined cycle gas plant in Prai is only **34.7 sen** per kWh. However, this **does not include cost of fuel**. That means unsubsidised, generation costs for gas plants should be **closer to 60 sen**
- industry players pointed out that while solar power may reduce the country's fuel bill, it will **not reduce the required capacity**. The reason is that the national grid requires at least 1MW of gas-fired peaking capacity on standby for every megawatt of solar power. Should the supply of power from the solar plants fall, the peaking plants must **immediately fire up** to protect the integrity of the grid.

